



Construction Wages



2026

CONSTRUCTION WAGES

There is more to construction wages than your typical payroll process! Companies where more than half of the working hours are dedicated to “construction activities” must pay contributions to the relevant social fund (SOKA). The term “construction activities” is used very broadly: 42 categories are listed in the collective agreement, such as drilling, bricklaying and plaster work, but also prefabricated construction work.

CONSTRUCTION ACTIVITIES

1. Waterproofing work
2. Soil conditioning and drainage work, such as draining plots of land and making land arable, including ditch clearance and levelling work, laying drainage pipes and establishing drainage and lock systems
3. Asbestos work on buildings and parts of buildings (e.g. removal, reinforcement and coating of asbestos products)
4. Construction drying work, i.e. work aimed at dehumidifying brickwork through structural measures, including with synthetic materials and chemical products, as well as by installing condensers
5. Concrete and reinforced concrete work including concrete protection, repair work, and reinforcement
6. Drilling work
7. Water well drilling
8. Chemical soil stabilisation
9. Insulation work (e.g. protection against heat, cold and noise, as well as sound absorption, improvement and refinement work) including the installation of substructures
10. Earthmoving work (road construction, melioration, land reclamation, dyke construction, torrent and avalanche control, construction of sports facilities and noise barriers, as well as side support for traffic routes)
11. Screed work (using cement, asphalt, anhydrite, magnesite, plaster, plastic materials and similar substances)
12. Façade construction work
13. Prefabricated construction work: installation and assembly of prefabricated parts for the purpose of building, repairing, maintaining and adapting buildings; production of prefabricated parts the majority of which will be assembled or installed by the company itself, another company from the same corporate group or a company owned by at least one shareholder of a group of affiliated companies (regardless of the chosen legal form)
14. Firing and furnace construction work
15. Tiling, slab laying, and mosaic preparation and laying work
16. Joint work on buildings, in particular grouting of facing brickwork and joints between fitted components and brickwork, as well as all types of permanently elastic and permanently plastic jointing
17. Glass reinforced concrete work and laying of glass bricks
18. Track construction work
19. Production of building materials that cannot be stored, such as (ready-mixed) concrete and mortar mixtures, if most of the materials produced are used to supply construction sites operated by the production company itself, another company from the same corporate group or a company owned by at least one shareholder of a group of affiliated companies (regardless of the chosen legal form)

20. Structural engineering work
21. Wood preservation work on structural components
22. Canal (sewer) construction work
23. Bricklaying
24. Pile driving
25. Pipeline construction, underground pipeline construction, cabling and pipe pushing work
26. Shaft and tunnel construction work
27. Formwork
28. Chimney construction work
29. Blasting, demolition and clearance work
30. Steel bending and braiding work that is performed to enable other construction work by the same company
31. Ceiling reinforcement work
32. Road construction work (stone, asphalt, concrete, bitumen street construction work, road marking work, production and processing of material mixtures, if most of the material mixtures produced are used by the production company itself, another company from the same corporate group or a company owned by at least one shareholder of a group of affiliated companies (regardless of the chosen legal form)) and all forms of pavement work
33. Road rolling work
34. Stucco, plaster and staff work including the installation of substructures and backing
35. Terrazzo work
36. Civil engineering work
37. Drywall installation and assembly work (e.g. installation and panelling of walls and ceilings, assembly of prefabricated parts) including the installation of substructures and backing
38. Flooring work performed in combination with other construction work
39. Leasing of construction machinery including operating staff, provided such machinery and staff are used for carrying out construction work
40. Thermal insulation system work
41. Waterworks construction activities, water retention work, water engineering work (e.g. waterway, water basin and lockage construction)
42. Carpentry and timber construction work carried out in the context of the carpentry trade

In addition to the businesses listed here, the rules also apply to companies that perform construction-related activities in addition to another type of work. It is not always easy to tell, whether a company is a construction business according to the SOKA-BAU (construction industry social fund) definition.

However, the answer to this question determines whether a company is required to pay SOKA contributions or not. As a general rule, it should be borne in mind that the number of working hours of the staff members performing the respective activities is the decisive factor.

Clear guidance can be found in the following collective labour agreements:

- BRTV (national collective agreement for the construction industry)
- VTV (procedural collective agreement/collective agreement for the social fund procedure in the construction industry)

It is set out in these agreements who falls within their scope. In case of any uncertainty, you can contact the SOKA-BAU with a description of the company.

WHAT EXACTLY IS THE SOKA-BAU?

The SOKA-BAU (Sozialkassen der Bauwirtschaft, "construction industry social fund") is the umbrella brand of the leave fund for the construction sector (Urlaubs- und Lohnausgleichskasse, ULAK) and the supplementary pension fund for the construction sector (Zusatzversorgungskasse des Baugewerbes AG, ZVK). It was introduced in 2001 in the context of the employee-related registration procedure. The ULAK and ZVK are joint organisations of the collective bargaining parties of the construction industry.

SOKA-BAU COSTS

SOKA contributions since 1 July 2025:

- West German Federal States 20.2 % (annual leave 15.1 %, vocational training 1.9 %, supplementary benefits 3.2 %)
- West Berlin: 25.65 % (annual leave 15.1 %, vocational training 1.65 %, supplementary benefits 3.2 %, social costs 5.7 %)
- East German Federal States 18.7 % (annual leave 15.1 %, vocational training 1.9 %, supplementary benefits 1.7 %)
- East Berlin: 24.15 % (annual leave 15.1 %, vocational training 1.65 %, supplementary benefits 1.7 %, social costs 5.7 %)
- A fixed monthly standard amount of EUR 67 has been determined for employees from the West German Federal States since 1 January 2022, and the amount of EUR 42.50 has applied for employees in the East German Federal States since 1 July 2025.
- The fixed monthly amount for apprentices in the craft sector, commercial and technical fields is EUR 20.00 (nationwide). However, this amount is credited to the employee's account for the duration of their training using vocational training contributions. It is therefore still the case that employers do not need to pay any contributions for apprentices.
- To be able to provide funding for vocational training, an additional monthly amount was introduced for employees (except marginally employed part-time workers in the sense of Section 8 SGB IV) on 1 April 2021. The standard amount is EUR 18.00 per calendar month or EUR 0.90 per day for a partial month.

The following individuals are liable for contributions:

- Office workers
- Forepersons
- Technical drafters
- Site supervisors

The following individuals are not considered:

- Marginally employed part-time workers/short-term workers
- Company owners and managing directors who are registered in the trade register
- Management staff
- Apprentices, retrainees, real interns
- Staff members who are on parental leave

Winter allowance of 2 % of the gross pay: 1.2 % paid by the employer, 0.8 % by the employee. In 2026, the winter allowance will be temporarily reduced to 1%: 0.6 % paid by the employer and 0.4 % by the employee. From 2027 onwards, the regular rates will apply again. The contribution is collected on behalf of the employment agency.

SOKA-BAU BENEFITS

Holiday pay Wage-earning workers are only paid when they are actually working, which means that holiday pay is not just a bonus paid by employers in the construction industry. Holiday pay is the workers' remuneration while they are on annual leave. Owing to the high level of staff turnover and insolvencies in the construction sector, employees would lose their holiday pay in the event of a job change or their employer becoming insolvent. This is why holiday pay is managed by the holiday fund on a fiduciary basis. Construction companies report and pay the holiday pay owed to their wage-earning workers into the holiday fund on a monthly basis, and the holiday fund will reimburse these wage-earning workers when they take their annual leave.

125% holiday remuneration The holiday remuneration is based on the gross pay earned up to the start of the holiday. The holiday remuneration (100% holiday pay plus 25% additional holiday bonus) has been 14.25% of the gross pay in all German Federal States since 1 January 2018, and 16.63% of the gross pay for severely handicapped persons (since 1 January 2018). This is calculated as follows: 100% holiday pay = 11.4% plus another 25% = 2.85%. The total is therefore 11.4% (100%) + 2.85% (25%) = 14.25% (125%).

The calculation for severely handicapped person looks like this: 100% holiday pay = 13.3% plus another 25% = 3.33%. The total is therefore 13.3% (100%) + 3.33% (25%) = 16.63% (125%).

A new minimum holiday remuneration has applied since 1 July 2013: it was determined in this context that holiday pay entitlement also exists in times in which no gross pay is generated, for example due to illness or seasonal short-time work. Newly added from 1 January 2023: while receiving short-time compensation between 1 April and 30 November.

Calculation of the minimum holiday remuneration from 1 January 2023: 12.5% of the total standard hourly wage (= standard hourly wage plus construction surcharge); 14.6% of the total standard hourly wage for severely handicapped persons, at least 50% disability

Collectively agreed pension in the main construction sector The collective bargaining pension "Tarifrente Bau" is part of the new universally applicable collective agreement for an additional old-age pension scheme in the construction sector (TV TZA) that is to gradually replace the previous system that had been in place since 1957 and that was largely contribution based.

The pension scheme has been extended to include workers from the East German Federal States and apprentices.

Contributions from wage-earning workers are still paid as a percentage of their total gross pay and employees continue to pay a fixed amount, and the monthly contribution to the company pension scheme therefore continues to be 3.2% of their monthly gross pay.

When the law to strengthen company pension schemes entered into effect on 1 January 2018, the funding range was increased from 4% to 8% of the contribution assessment ceiling of the West German pension insurance. The additional 1,800 EUR tax allowance was eliminated in this context.

The amount exempted from social insurance contributions continues to be limited to 4% of the contribution assessment ceiling of the West German pension insurance.

As of 1 January 2016, the scope of the "Tarifrente Bau" includes the following individuals:

- All workers in the West German Federal States who were under 50 years of age on 31 December 2015
- All workers who first started working in the construction industry after this date
- All workers of companies based in the East German Federal States
- All apprentices

Important: The previous pension credit system continues to apply for workers who were already working in the construction sector on 1 January 2016 and were at least 50 years of age on the reference date.

What's more, a comparison is carried out when reviewing pension entitlements to ensure that all workers will at least receive the benefits they would have been entitled to if the old system had stayed in place.

All workers are also able to make contributions towards the ZukunftPlus home financing scheme.

Every euro of their gross pay that workers pay in and which they therefore turn into a pension scheme contribution means a reduction of incidental wage costs for employers, as these contributions are tax-free up to 8% of the contribution assessment ceiling (2026: EUR 8,112.00) and exempt from social insurance up to 4% of the contribution assessment ceiling (2026: EUR 4,056.00).

Comment: The 3.2% or EUR 67.00 in West Germany/EUR 42.50 in East Germany already paid towards the collective bargaining pension must be deducted from the total amount. Section 100 (2) of the German Income Tax Act (EStG) further provides that the employer's contribution is subsidisable by 30%. This amount is reimbursed to the employer by the tax office via the employer's income tax registration.

Compliance with minimum wages Compulsory minimum wages apply across many parts of the construction industry. Attention must be paid here to the distinction made between East and West German wages. This is determined based on the place where the staff member is working, not based on the place the company is based. Workers who are working in West Germany must be remunerated for such work based on the minimum wage rules for West Germany, even if their employer's headquarters are located in East Germany.

The mediator's proposal regarding the new minimum wages for construction work was rejected by the bargaining parties in April 2022. The statutory minimum wage has applied for minimum-wage workers in the construction sector (wage groups 1 and 2) across Germany since 1 January 2022.

A statutory minimum wage of EUR 13.90 per hour entered into effect on 1 January 2026, and from 1 January 2027 the minimum wage will be EUR 14.60 per hour.

The minimum wage also applies for companies based abroad. It does not apply for student and orientation internships, apprentices and during the first six months of employment of individuals who were long-term unemployed before accepting the job in question.

Construction sites allowing for daily trips home and more than 8 hours of absence from a worker's place of residence.

Distance	2023	since 1 January 2024
up to 50 km	EUR 6.00	EUR 7.00
over 50 km and up to 75 km	EUR 7.00	EUR 8.00
over 75 km	EUR 8.00	EUR 9.00

Construction sites not allowing for daily trips home including the meals allowance that applied until 31 December 2022 (EUR 4.09 for bargaining area West and EUR 2.56 for bargaining area East).

Distance	since 1 January 2023
over 75 km and up to 200 km	EUR 9.00 per trip
over 200 km and up to 300 km	EUR 18.00 per trip
over 300 km and up to 400 km	EUR 27.00 per trip
over 400 km	EUR 39.00 per trip

Apprenticeship remuneration in the main construction sector

From 1 April 2026, apprentices from the crafts sector in East Germany will receive the same remuneration as those in West Germany. Remuneration for apprentices in the technical and commercial fields and the fire fighting trade will be adjusted to the West German level from 1 May 2026

Ausbildungsart	Bundesländer West				Bundesländer Ost			
	1. Ausbildungsjahr	2. Ausbildungsjahr	3. Ausbildungsjahr	4. Ausbildungsjahr	1. Ausbildungsjahr	2. Ausbildungsjahr	3. Ausbildungsjahr	4. Ausbildungsjahr
Vom 01.05.2024 bis 31.03.2026 bzw. 30.04.2026 / EUR								
Gewerblich	1.080,00	1.300,00	1.550,00	1.650,00	1.080,00	1.200,00	1.450,00	1.550,00
Technisch/kaufmännisch	1.080,00	1.200,00	1.450,00		1.080,00	1.100,00	1.350,00	
Feuerungstechnisch	1.080,00	1.343,00	1.654,00		1.080,00	1.243,00	1.554,00	
Ab 01.04.2026 bzw. 01.05.2026 / EUR								
Gewerblich	1.122,00	1.351,00	1.610,00	1.714,00	1.122,00	1.351,00	1.610,00	1.714,00
Technisch/kaufmännisch	1.122,00	1.247,00	1.507,00		1.122,00	1.247,00	1.507,00	
Feuerungstechnisch	1.122,00	1.395,00	1.719,00		1.122,00	1.395,00	1.719,00	

Note: Apprentices must be informed four months before the end of their apprenticeship if they are **NOT** offered employment after the end of their training.

KEA – Electronic acceptance of documents concerning short-time compensation

The new fully digitised KEA process enables employers and authorised third parties to submit applications for short-time compensation, seasonal short-time compensation and the related payroll lists to the employment agency. All required data from payroll accounting is summarised and transmitted automatically.

Training subsidies

Reimbursement is available for remuneration for apprentices in the crafts sector, as well as in technical and commercial fields. The reimbursed amounts include reimbursement for holiday pay for apprentices in the crafts sector as well as for travel costs.

The following subsidies are available from the SOKA-BAU

- Apprenticeship remuneration + 20% for social insurance costs:
 - for apprentices in the crafts sector for ten months in their 1st year of training, for six months in their 2nd year of training, and for one month in their 3rd year of training. For apprentices in the crafts sector who have performed a year of preparatory vocational training or similar, reimbursement is available for the same periods of time, however, not starting until the 2nd year of training. Reimbursement is therefore available for ten months in the 2nd year of training and for six months in the 3rd year of training.
 - For apprentices in commercial/technical fields reimbursement is available for ten months in the 1st year of training and for four months in the 2nd year of training.
- Training costs related to attending external training facilities
- Travel costs for trips to external training facilities (excluding vocation school)

Note: You can request reimbursement of apprenticeship remuneration paid according to the collective agreements from the SOKA by means of electronic data transmission or using the MINT online process. If you do not have access to these transmission routes, you can also contact the SOKA by phone. Corresponding redemption slips will be issued immediately.

FURTHER INDUSTRY-SPECIFIC MINIMUM WAGES

In addition to the statutory minimum wage there are various industry-specific minimum wages. An industry-specific minimum wage is agreed by trade unions and employers in collective bargaining and represents a binding minimum wage for the industry in question. The result of collective bargaining (i.e. the respective collective labour agreement) can be declared universally applicable by the Federal Ministry of Labour and Social Affairs in cooperation with a committee of union and employer representatives, if the collective bargaining parties (i.e. the unions and employers) have submitted a joint request to this effect.

If a collective agreement is declared universally applicable in this way, the industry-specific minimum wage specified in the agreement does not only apply to companies that are members of the employers' association that concluded the agreement. A universally applicable industry-specific minimum wage applies to all workers of the industry in question, regardless of whether an employer is tariff-bound or not.

Difference between statutory and industry-specific minimum wages

The statutory minimum wage is defined in the German Minimum Wage Act. This generally applicable, nationwide, statutory minimum wage is the absolute minimum that workers in Germany are entitled to.

Industry-specific minimum wages are determined independently of the statutory minimum wage. Employers from the industry in question are not allowed to pay their workers less than the universally applicable industry-specific minimum wage with reference to the (lower) statutory minimum wage. Any exceptions from the statutory minimum wage (e.g. for minors and previously long-term unemployed people) are only relevant to the minimum wage determined by the legislator. The statutory minimum wage and industry-specific minimum wages that are the result of collective bargaining must be strictly distinguished from each other: the terms agreed by the bargaining partners continue to apply, regardless of any exceptions that may apply with regard to the statutory minimum wage.

An industry-specific minimum wage is the minimum wage/lowest wage group of a collective agreement that has been declared universally applicable. Collective agreements for a specific industry usually provide for further wage groups/remuneration groups, e.g. based on a worker's qualifications or tasks. Those who meet the requirements for such higher wage groups/remuneration groups are usually entitled to the higher wages/remuneration indicated in the collective agreement.

Industry-specific minimum wage for ROOFERS

Since 1 January 2026, the industry-specific minimum wage for the roofing trade has been EUR 14.96 per hour for unskilled workers and EUR 16.60 per hour for skilled workers.

The industry-specific minimum wage for skilled workers will be increased to EUR 17.10 per hour from 1 January 2027, and to EUR 17.60 per hour from 1 January 2028.

Industry-specific minimum wage for the ELECTRICAL TRADE

Since 1 January 2026, an industry-specific minimum wage of EUR 14.93 has applied for all workers in the electrical trade (provided they perform tasks in the areas of electrical engineering and information technology). The industry-specific minimum wage will then be gradually increased until 2028: EUR 15.49 from 1 January 2027, and EUR 16.10 from 1 January 2028. Such jobs include, for example: electronics technicians in the areas of energy and building technology, information and telecommunication technology, machinery and drive technology, automation technology, equipment and system technology, office systems technology, as well as system electronics technicians.

Industry-specific minimum wage for INDUSTRIAL CLEANING

Minimum wages in industrial cleaning have been on the same level in West and East Germany since December 2020. An industry-specific minimum wage of EUR 15.00 per hour for interior and maintenance cleaning has applied in the industrial cleaning sector since 1 January 2026.

The industry-specific minimum wage for glass and façade cleaning work has been EUR 18.40 since 1 January 2026

Industry-specific minimum wage for SCAFFOLDERS

The industry-specific minimum wage for the scaffolding trade has been EUR 14.35 since 1 January 2026 and is going up to EUR 14.90 per working hour on 1 January 2027.

Industry-specific minimum wage for PAINTERS AND DECORATORS

The minimum wage for skilled workers has been EUR 15.55 since 1 August 2025. With effect from 1 July 2026 it is going up to EUR 16.13. No new minimum wage for unskilled workers was negotiated. The statutory minimum wage applies for unskilled workers. This has been EUR 13.90 per hour since 1 January 2026, and will go up to EUR 14.60 per hour on 1 January 2027.

The following apprenticeship remuneration has been in place since 1 August 2025:

- In the 1st year of training: EUR 850.00
- In the 2nd year of training: EUR 935.00
- In the 3rd year of training: EUR 1,100.00

Planning provides for apprenticeship remuneration to go up by EUR 50.00 per training year from 1 August 2026.

Industry-specific minimum wage for STONEMASONS

Collective agreement

Since 1 January 2025: EUR 17.98

Since 1 January 2026: EUR 18.61

In Rhineland-Palatinate, Hesse and Saarland

Industry-specific minimum wage for GARDENING AND LANDSCAPING

The collective agreements for the construction sector do not cover gardening, landscaping and sports ground construction businesses that are

- members of the competent state association for gardening, landscaping and sports ground construction,
- spend most of their working hours on activities that are covered by the collective agreements for gardening and landscaping companies, and
- spend at least 20 % of their total annual working hours per calendar year on gardening work.

All three criteria must be met simultaneously. Companies that are members of gardening and landscaping associations are then covered exclusively by collective agreements for the gardening and landscaping industry and not by collective agreements for the construction sector.

All gardening and landscaping companies that do not meet one of the three criteria listed above and that dedicate more than 50% of their working hours to construction work in the sense of the scope of the collective agreements for the construction sector must pay their workers the minimum wages for the construction sector and pay 20.2% of their total gross pay to the construction industry social fund (SOKA).

What is the base wage?

The base wage is the wage defined in a collective agreement for a skilled worker with two years of experience. Not all industries specify a base wage, and its relevance has declined in recent years. Where applicable, employees may rely on the base wage set out in the relevant collective agreement, which is binding for both parties and must be complied with by the employer.